

Securities code: 300870      Securities abbreviation: Honor Electron      Announcement No.: 2026-027  
Bond code: 123241      Bond Abbreviation: Eurocom Convertible Bond

## **Shenzhen Honor Electronic Co., Ltd. Report for the First Quarter of 2026**

The company and all members of the board of directors guarantee that the information disclosed is true, accurate and complete, and there are no false records, misleading statements or major omissions.

### **Important content reminder:**

1. The board of directors, directors and senior management ensure that the quarterly report is true, accurate and complete, and there are no false records, misleading statements or major omissions, and bear individual and joint legal liabilities.
2. The person in charge of the company, the person in charge of accounting work and the person in charge of the accounting organization (accounting officer) declare that the financial information in the quarterly report is true, accurate and complete.
3. Has the first quarter financial accounting report been audited?

Yes  No

## I. Main financial data

### (1) Major accounting data and financial indicators

Whether the company needs to retrospectively adjust or restate the accounting data of previous years

Yes  No

	This reporting period	Same period last year	Increase or decrease in the reporting period over the same period of the previous year (%)
Operating income (yuan)	1,041,547,037.48	888,256,987.39	17.26%
Net profit attributable to shareholders of listed companies (yuan)	-12,541,361.74	49,570,718.71	-125.30%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (yuan)	-15,147,645.47	46,165,699.68	-132.81%
Net cash flow from operating activities (yuan)	26,808,134.75	219,597,030.86	-87.79%
Basic earnings per share (yuan/share)	-0.12	0.47	-125.53%
Diluted earnings per share (yuan/share)	-0.09	0.53	-116.98%
Weighted average return on equity	-0.47%	2.20%	-2.67%
	At the end of the reporting period	End of last year	Increase or decrease at the end of the reporting period compared to the end of the previous year (%)
Total assets (yuan)	5,843,996,289.72	5,414,334,142.59	7.94%
Owner's equity attributable to shareholders of listed companies (yuan)	2,642,255,786.11	2,646,868,668.94	-0.17%

From the end of the reporting period to the disclosure date of the quarterly report, whether the share capital of the company has changed due to the issuance of new shares, additional issuance, allotment, equity incentive exercise, repurchase, etc., and affects the amount of owner's equity  Yes  No

	This reporting period
Preferred stock dividends paid (yuan)	0.00
Perpetual bond interest paid (yuan)	0.00
Fully diluted earnings per share calculated with the latest share capital (yuan/share)	-0.1150

### (2) Items and amounts of non-recurring gains and losses

Applicable  Not applicable

Unit:  
Yuan

Projects	Amount for the reporting period	Description
Gains and losses on disposal of illiquid assets (including the write-off portion of the provision for asset impairment)	134,540.60	Mainly the income from asset disposal.

Government subsidies included in the current profit and loss (except for government subsidies that are closely related to the company's normal business operations, comply with national policies and regulations, are enjoyed according to determined standards, and have a continuous impact on the company's profit and loss)	2,333,013.47	Mainly government subsidy income.
In addition to the effective hedging business related to the company's normal business operations, the gains and losses from changes in fair value arising from the holding of financial assets and financial liabilities by non-financial enterprises and the gains and losses arising from the disposal of financial assets and financial liabilities	972,365.74	It is mainly to accrue the income of wealth management products in the current period.
Profit and loss of entrusting others to invest or manage assets	250,487.67	It is the income from wealth management products actually received in the current period.
Other non-operating revenue and expenditure other than the above-mentioned items	-1,058,259.52	
Less: Income tax impact amount	25,624.23	
Amount of impact on minority shareholders' equity (after tax)	240.00	
Total	2,606,283.73	--

Details of other profit and loss items that meet the definition of non-recurring profit and loss

■ Applicable ■ Not applicable

The company does not have other specific circumstances of profit and loss items that meet the definition of non-recurring profit and loss.

Explanation of the situation of defining the non-recurring profit and loss items listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss" as recurring profit and loss items

■ Applicable ■ Not applicable

There is no situation in which the company defines the non-recurring gains and losses listed in the "Explanatory Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Gains and Losses" as recurring gains and losses.

### (3) Changes in major accounting data and financial indicators and reasons

■ Applicable ■ Not applicable

Amount unit:  
yuan

Balance Sheet Items	Ending balance	Opening balance	Range of change	Reason for change
Notes receivable	82,973,657.85	124,557,825.25	-33.39%	Mainly due to the decrease in bank acceptance bills at the end of the period.
Receivables Financing	64,383,265.76	95,182,974.50	-32.36%	This was due to the decrease in bills receivable with high credit ratings at the end of the period.
Other receivables	49,628,091.20	29,782,998.11	66.63%	Mainly due to the increase in the balance of export tax rebates at the end of the period.
Inventory	964,647,890.44	528,521,382.18	82.52%	Mainly due to the increase in the stocking of raw materials in the current period.
Other non-current assets	32,289,080.13	18,527,537.55	74.28%	Mainly due to the increase in prepayments for equipment in the current period.
Short-term loan	174,471,551.00	76,319,990.96	128.61%	Mainly due to the increase in bank loans during the current period.
Account payables	1,589,146,116.13	1,147,852,490.68	38.45%	Mainly due to the increase in the stocking of raw materials in the current period.
Taxes payable	20,853,763.44	34,027,426.56	-38.71%	Mainly due to the decrease in the balance of taxes payable at the end of the period.
Other current liabilities	44,294,597.87	65,619,042.68	-32.50%	Mainly due to the decrease in bills receivable that have not been derecognized at the end of the period.

Income statement items	Amount in the current period	Amount in the previous period	Range of change	Reason for change
Taxes & surcharges	6,094,465.19	4,108,522.75	48.34%	Mainly due to the increase in sales volume during the current period.
Administration expense	49,471,913.06	37,984,668.95	30.24%	Mainly due to the increase in employee compensation for the relocation of the factory in the current period.
R&D; expenses	82,023,683.32	60,466,105.52	35.65%	Mainly due to the increase in R&D; investment in this period.
Finance expense	14,350,061.64	-113,412.73	12752.95%	Mainly due to the decrease in foreign exchange gains during the current period.
Other income	3,849,997.87	11,387,469.26	-66.19%	Mainly due to the decrease in government subsidy income during the current period.
Investment income (losses are listed with "- ")	-10,635,126.30	-5,445,527.40	-95.30%	It was mainly due to the increase in investment losses recognized by the equity method for participating companies in the current period.
Gain from change in fair value (losses are listed with "- ")	972,365.74	490,821.92	98.11%	Mainly due to the increase in income from wealth management products accrued in the current period.
Credit impairment loss (losses are listed with "- ")	1,801,030.58	10,092,426.31	82.15%	Mainly due to changes in the balance of bad debt provision for accounts receivable.
Non-operating expenses	1,185,884.10	597,724.66	98.40%	Mainly due to the early termination of the compensation for the external lease contract.
Income tax expense	3,185,286.58	5,416,615.84	-41.19%	Mainly due to the decrease in the total profit for the current period.
Cash Flow Statement Items	Amount in the current period	Amount in the previous period	Range of change	Reason for change
Net cash flow from operating activities	26,808,134.75	219,597,030.86	-87.79%	Mainly due to the increase in the amount of raw materials paid in the current period.
Net cash flows from investing activities	-132,155,098.51	97,304,317.17	-235.82%	Mainly due to the increase in the purchase of wealth management products during the current period.
Net cash flow from financing activities	92,711,109.81	-46,037,725.46	301.38%	Mainly due to the increase in bank loans received during the current period.

## II. Shareholder Information

### (1) The total number of ordinary shareholders and the number of preferred shareholders whose voting rights have been restored and the shareholding status of the top ten shareholders

Unit: share

Total number of common shareholders at the end of the reporting period		28,150	The total number of preferred shareholders whose voting rights were restored at the end of the reporting period (if any)		0	
Shareholding of the top 10 shareholders (excluding shares lent through refinancing)						
Name of shareholder	Nature of Shareholders	Shareholding ratio (%)	Number of shares held	Number of shares subject to sales restrictions	Pledge, mark or freeze	
					Share status	Quantity
Shenzhen Genoli Information Consulting Co., Ltd	Domestic non-state-owned legal person	26.81%	29,234,023	0	Pledge	7,950,000
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	Domestic non-state-owned legal person	24.89%	27,134,023	0	Not applicable	0
Ruizhong Life Insurance Co., Ltd.-own funds	other	1.59%	1,737,230	0	Not applicable	0
Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	Domestic non-state-owned legal person	1.59%	1,735,231	0	Not applicable	0
Agricultural Bank of China Co., Ltd. - Huitian Fuxinrui Selected Flexible Configuration Hybrid Securities Investment Fund	other	1.00%	1,094,935	0	Not applicable	0
Hong Kong Securities Clearing Company Limited	Foreign legal person	0.99%	1,076,605	0	Not applicable	0
GF Fund Management Co., Ltd.-Social Security Fund 420 Portfolio	other	0.42%	458,100	0	Not applicable	0
Zou Xiaodan	Domestic natural persons	0.41%	443,300	0	Not applicable	0
UBS AG	Foreign legal person	0.40%	441,159	0	Not applicable	0

China Merchants Bank Co., Ltd. - Dongfanghong Ruize three-year holding period hybrid securities investment fund	other	0.39%	420,200	0	Not applicable	0
Shareholding of the top 10 shareholders with unrestricted sales conditions (excluding shares lent through refinancing and locked shares by executives)						
Name of shareholder	Number of unrestricted shares held	Type of shares				
		Type of shares	Quantity			
Shenzhen Genoli Information Consulting Co., Ltd	29,234,023	RMB ordinary shares	29,234,023			
Nanjing Wangyue Kewang Venture Capital Partnership (Limited Partnership)	27,134,023	RMB ordinary shares	27,134,023			
Ruizhong Life Insurance Co., Ltd.-own funds	1,737,230	RMB ordinary shares	1,737,230			
Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership)	1,735,231	RMB ordinary shares	1,735,231			
Agricultural Bank of China Co., Ltd. - Huitian Fuxinrui Selected Flexible Configuration Hybrid Securities Investment Fund	1,094,935	RMB ordinary shares	1,094,935			
Hong Kong Securities Clearing Company Limited	1,076,605	RMB ordinary shares	1,076,605			
GF Fund Management Co., Ltd.-Social Security Fund 420 Portfolio	458,100	RMB ordinary shares	458,100			
Zou Xiaodan	443,300	RMB ordinary shares	443,300			
UBS AG	441,159	RMB ordinary shares	441,159			
China Merchants Bank Co., Ltd. - Dongfanghong Ruize three-year holding period hybrid securities investment fund	420,200	RMB ordinary shares	420,200			
Description of the above-mentioned shareholders' connected relationship or concerted action	<p>The actual controllers of the company are Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei, and they act in concert. Among them, Wang Heqiu and Wang Yulin control 26.81% of the company's shares through Shenzhen Genoli Information Consulting Co., Ltd., Wang Heqiu, Wang Yulin, Wang Yuetian, Shang Yunsi and Wang Yuefei control 24.89% of the company's shares through Nanjing Wangyueke Wang Venture Capital Partnership (Limited Partnership), and Wang Heqiu is the executive partner and actual controller of Taizhou Tongju Information Technology Consulting Partnership (Limited Partnership). In addition, the company does not know whether there is an associated relationship among the above-mentioned other shareholders, nor whether they are parties acting in concert as stipulated in the Measures for the Administration of Acquisitions of Listed Companies.</p>					
Description of the top 10 shareholders participating in the margin financing and securities lending business (if any)	No					

Shareholders holding more than 5% of the shares, the top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions participated in the refinancing business and lent shares

■ Applicable ■ Not applicable

The top 10 shareholders and the top 10 shareholders of tradable shares without selling restrictions have changed from the previous period due to refinancing, lending/return

■ Applicable ■ Not applicable

**(2) The total number of preferred shareholders of the company and the shareholding status of the top 10 preferred shareholders**

■ Applicable ■ Not applicable

**(3) Changes in restricted shares**

■ Applicable ■ Not applicable

Unit: share

Name of shareholder	Number of restricted shares at the beginning of the period	The number of shares lifted in the current period	Increase the number of restricted shares in the current period	Number of restricted shares at the end of the period	Reason for restriction	Proposed date of lifting of sales restriction
Cai Lilin	0	0	12,000	12,000	Executives lock up shares	To be determined
Total	0	0	12,000	12,000	--	--

**III. Other important matters**

■ Applicable ■ Not applicable

**(1) Equity incentives**

On January 30, 2026, the company disclosed the "Announcement on the Vesting Results of the First Vesting Period of the Company's 2024 Restricted Stock Incentive Plan and the Listing of Shares" (Announcement No.: 2026-010). The company has gone through the registration procedures for the attribution of the second type of restricted stock at the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. The listing and circulation date of the second category of restricted stocks vested this time is February 3, 2026.

**(2) Relevant information on convertible corporate bonds**

On February 3, 2026, due to the listing of shares in the first vesting period of the company's 2024 restricted stock incentive plan, the conversion price of "Eurocom Convertible Bonds" was adjusted from 43.55 yuan/share to 43.35 yuan/share. The effective date of the conversion price adjustment is February 3, 2026. For details, please refer to the "Announcement on Adjusting the Conversion Price of Convertible Corporate Bonds" (Announcement No.: 2026-009) disclosed by the company on Juchao Information Network (<http://www.cninfo.com.cn>) on January 30, 2026.

On March 9, 2026, due to the cancellation of the repurchased shares whose duration of the company is about to expire for three years, the conversion price of the "European Convertible Bonds" will be adjusted from 43.35 yuan/share to 43.43 yuan/share. The effective date of the adjustment of the conversion price is March 9, 2026. For details, please refer to the "Announcement on Adjusting the Conversion Price of Convertible Corporate Bonds" (Announcement No.: 2026-012) disclosed by the company on the CNInfo website (<http://www.cninfo.com.cn>) on March 7, 2026.

### (3) Cancellation of repurchased shares

The company held the eighth meeting of the third board of directors in 2025 on November 24, 2025, and the second extraordinary shareholders meeting in 2025 on December 15, 2025. The "Proposal on Cancellation of Repurchased Shares" was reviewed and approved. Given that the shares repurchased by the company this time have not been used and the duration is about to expire for three years, it is agreed that the company will cancel the 1,655,300 repurchased shares deposited in the special account for repurchase. For details, please refer to the "Announcement on Cancellation of Repurchased Shares" (Announcement No.: 2025-081) disclosed by the company on www.cninfo.com.cn on November 26, 2025.

After review and confirmation by China Securities Depository and Clearing Co., Ltd. Shenzhen Branch, the cancellation of the company's share repurchase has been completed on March 5, 2026. The number, completion date and cancellation period of the repurchased shares are in compliance with the requirements of relevant laws and regulations.

## IV. Quarterly Financial Statements

### (1) Financial statements

#### 1. Consolidated Balance Sheets

Prepared by: Shenzhen Honor Electronic Co., Ltd.

March 31, 2026

Unit: Yuan

Projects	Ending balance	Opening balance
Current assets:		
Monetary fund	1,057,041,364.72	1,096,594,973.95
Settlement reserve		
borrowed funds		
Trading financial assets	335,047,275.33	282,661,873.98
Derivative financial assets		
Notes receivable	82,973,657.85	124,557,825.25
Accounts Receivable	1,312,824,802.91	1,324,172,057.65
Receivables Financing	64,383,265.76	95,182,974.50
Advance payment	4,428,256.20	4,916,896.52
Premiums receivable		
Reinsurance accounts receivable		
Reserve for reinsurance contracts receivable		
Other receivables	49,628,091.20	29,782,998.11
Including: interest receivable	430,861.25	1,484,301.11
Dividends receivable		
Redemptory monetary capital for sale		
Inventory	964,647,890.44	528,521,382.18
Among them: data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other Current Assets	24,414,195.20	29,927,107.03
Total current assets	3,895,388,799.61	3,516,318,089.17
Non-current assets:		
Issue loans and advances		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investment	45,429,700.41	56,315,314.38
Investment in other equity instruments	19,997,201.18	

Other non-current financial assets		
Investment real estate	239,532,588.59	241,049,949.67
Fixed assets	1,066,609,558.77	1,043,486,791.67
Construction in progress	134,420,846.75	128,280,432.90
Productive biological assets		
Oil and gas assets		
Right-of-use asset	102,803,357.56	101,088,006.84
Intangible assets	67,942,518.26	67,910,420.64
Among them: data resources		
Development expenditure		
Among them: data resources		
Goodwill		
Long-term deferred expenses	196,425,386.54	198,778,155.17
Deferred Tax Assets	43,157,251.92	42,579,444.60
Other non-current assets	32,289,080.13	18,527,537.55
Total non-current assets	1,948,607,490.11	1,898,016,053.42
Total assets	5,843,996,289.72	5,414,334,142.59
Current Liabilities:		
Short-term loan	174,471,551.00	76,319,990.96
Borrowing from the Central Bank		
Borrowed funds		
Transactional financial liabilities		
Derivative financial liabilities		
Notes payable	655,392,611.03	687,181,499.00
Account payables	1,589,146,116.13	1,147,852,490.68
Advance receipt		
Contract liabilities	9,046,882.93	8,936,491.43
Financial assets sold for repurchase		
Deposits and interbank deposits		
Securities brokerage		
Acting as an agent for underwriting securities		
Employee compensation payable	78,364,092.99	109,516,036.84
Taxes payable	20,853,763.44	34,027,426.56
Other payables	34,306,350.66	39,081,087.76
Including: interest payable		
Dividends payable		
Fees and commissions payable		
Reinsurance accounts payable		
Liabilities held for sale		
Non-current liabilities due within one year	69,725,943.65	72,427,907.83
Other current liabilities	44,294,597.87	65,619,042.68
Total Current Liabilities	2,675,601,909.70	2,240,961,973.74
Non-Current Liabilities:		
Insurance contract reserves		
Long-term loan	167,214,347.59	173,449,347.58
Bonds payable	231,365,955.20	229,260,860.47
Of which: preferred stock		
Perpetual bond		
Lease liabilities	81,218,304.39	76,801,103.36
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income	20,989,148.38	22,941,612.52
Deferred Tax Liabilities	24,417,386.53	23,430,525.03
Other non-current liabilities		
Total Non-Current Liabilities	525,205,142.09	525,883,448.96
Total liabilities	3,200,807,051.79	2,766,845,422.70
Owners' equity:		
Capital stock	109,030,681.00	109,857,638.00

Other equity instruments	33,322,168.00	33,324,100.76
Of which: preferred stock		
Perpetual bond		
Capital reserve	1,470,681,320.68	1,515,388,158.62
Less: treasury shares		62,600,689.07
Other comprehensive income	-23,427,432.59	-14,290,950.13
Special reserve		
Surplus reserve	54,928,819.00	54,928,819.00
General risk preparation		
Undistributed profit	997,720,230.02	1,010,261,591.76
Total owner's equity attributable to parent Company	2,642,255,786.11	2,646,868,668.94
Minority interests	933,451.82	620,050.95
Total owner's equity	2,643,189,237.93	2,647,488,719.89
Total liabilities and owners' equity	5,843,996,289.72	5,414,334,142.59

Legal representative: Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun Wang Heqiu

## 2. Consolidated income statement

Unit:  
Yuan

Projects	Amount in the current period	Amount in the previous period
I. Total operating income	1,041,547,037.48	888,256,987.39
Including: operating income	1,041,547,037.48	888,256,987.39
Interest income		
Premiums earned		
Fee and commission income		
II. Total operating cost	1,039,871,624.42	844,236,303.40
Including: operating cost	864,347,033.94	718,555,928.94
Interest expense		
Fees and commissions		
Surrender money		
Net compensation expense		
Withdrawal of net insurance liability reserves		
Policy dividend payout		
Reinsurance fees		
Taxes & surcharges	6,094,465.19	4,108,522.75
Selling expense	23,584,467.27	23,234,489.97
Administration expense	49,471,913.06	37,984,668.95
R&D; expenses	82,023,683.32	60,466,105.52
Finance expense	14,350,061.64	-113,412.73
Including: interest expense	4,837,965.21	7,067,093.83
Interest income	3,499,706.37	5,159,092.76
Plus: other income	3,849,997.87	11,387,469.26
Investment income (losses are listed with "- ")	-10,635,126.30	-5,445,527.40
Including: investment income in associates and joint ventures	-10,885,613.97	-5,853,240.29
Measured at amortized costDerecognition of financial assets		
Exchange gains (losses are listed with "- ")		
Net exposure hedging gain (losses are listed with "- ")		
Gain from change in fair value (losses are listed with "- ")	972,365.74	490,821.92

Credit impairment loss (losses are listed with "- ")	1,801,030.58	10,092,426.31
Asset impairment loss (losses are listed with "- ")	-5,782,636.32	-5,039,471.43
Asset disposal gains (losses are listed with "- ")	169,322.81	
III. Operating profit (losses are listed with "- ")	-7,949,632.56	55,506,402.65
Plus: non-operating income	92,842.37	14,728.81
Less: non-operating expenses	1,185,884.10	597,724.66
IV. Total profit (total loss is listed with "- ")	-9,042,674.29	54,923,406.80
Less: income tax expense	3,185,286.58	5,416,615.84
V. Net profit (net loss is listed with "- ")	-12,227,960.87	49,506,790.96
(1) Classification by business continuity		
1. Net profit from continuing operations (net loss is listed with "- ")	-12,227,960.87	49,506,790.96
2. Net profit from discontinued operations (net loss is listed with "- ")		
(2) Classification by ownership		
1. Net profit attributable to owners of the parent company	-12,541,361.74	49,570,718.71
2. Minority shareholder gains and losses	313,400.87	-63,927.75
VI. Net after-tax other comprehensive income	-9,136,482.46	-1,462,876.96
After-tax net of other comprehensive income attributable to owners of the parent company	-9,136,482.46	-1,462,876.96
(1) Other comprehensive income that cannot be reclassified into profit or loss		
1. Re-measurement of defined benefit plan changes		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of investments in other equity instruments		
4. Changes in the fair value of the company's own credit risk		
5. Other		
(2) Other comprehensive income that will be reclassified into profit or loss	-9,136,482.46	-1,462,876.96
1. Other comprehensive income that can be transferred to profit and loss under the equity method		
2. Changes in fair value of other debt investments		
3. Amount of financial assets reclassified into other comprehensive income		
4. Credit impairment provision for other debt investments		
5. Cash Flow Hedge Reserve		
6. Translation differences of foreign currency financial statements	-9,136,482.46	-1,462,876.96
7. Other		
Other comprehensive income attributable to minority shareholders, net of tax		
VII. Total comprehensive income	-21,364,443.33	48,043,914.00
Total comprehensive income attributable to owners of the parent company	-21,677,844.20	48,107,841.75

Total comprehensive income attributable to minority shareholders	313,400.87	-63,927.75
VIII. Earnings per share:		
(1) Basic earnings per share	-0.12	0.47
(2) Diluted earnings per share	-0.09	0.53

If a business combination under the same control occurs in the current period, the net profit realized by the merged party before the merger is: Yuan, and the net profit realized by the merged party in the previous period is: Yuan.

Legal representative: Person in charge of accounting work: Zhang Shuyuan Person in charge of accounting department: Tan Qun Wang Heqiu

### 3. Consolidated cash flow statement

Unit:  
Yuan

Projects	Amount in the current period	Amount in the previous period
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	999,774,497.75	961,084,344.55
Net increase in customer deposits and interbank deposits		
Net increase in borrowing from the central bank		
Net increase in borrowings from other financial institutions		
Cash received from original insurance contract premiums		
Net cash received from reinsurance business		
Net increase in deposits and investment funds of policyholders		
Cash for interest, fees and commissions		
Net increase in borrowed funds		
Net increase in repurchase business funds		
Net cash received from brokerage of securities		
Tax refunds received	31,113,166.55	40,032,507.24
Receive other cash related to operating activities	108,753,964.14	89,581,812.27
Subtotal of cash inflow from operating activities	1,139,641,628.44	1,090,698,664.06
Cash paid for purchasing goods and accepting labor services	691,695,971.48	502,906,700.13
Net increase in loans and advances to customers		
Net increase in deposits with central banks and interbanks		
Cash paid for original insurance contract claims		
Net increase in borrowing funds		
Cash for payment of interest, fees and commissions		
Cash to pay policy dividends		
Cash paid to and for employees	277,028,049.18	209,900,863.27
Taxes paid	32,250,248.89	25,919,631.85
Other cash payments related to operating activities	111,859,224.14	132,374,437.95
Subtotal of cash outflows from operating activities	1,112,833,493.69	871,101,633.20

Net cash flow from operating activities	26,808,134.75	219,597,030.86
II. Cash flow from investing activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		7,050.00
Net cash received from disposal of subsidiaries and other business units		
Receipt of other cash related to investing activities	352,739,301.38	430,711,477.82
Subtotal of cash inflows from investing activities	352,739,301.38	430,718,527.82
Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets	71,897,198.71	83,414,210.65
Cash paid for investments	19,997,201.18	
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments related to investing activities	393,000,000.00	250,000,000.00
Subtotal of cash outflows from investing activities	484,894,399.89	333,414,210.65
Net cash flows from investing activities	-132,155,098.51	97,304,317.17
III. Cash flow from financing activities:		
Cash received from investment	6,690,496.00	
Including: cash received by the subsidiary from absorbing minority shareholders' investment		
Cash received from borrowing	104,012,058.86	20,000,000.00
Other cash received in connection with financing activities		
Subtotal of cash inflows from financing activities	110,702,554.86	20,000,000.00
Cash paid for debt repayment	6,234,999.99	6,234,999.99
Cash paid for distribution of dividends, profits or interest payments	1,640,637.62	2,468,183.42
Including: dividends and profits paid by subsidiaries to minority shareholders		
Other cash payments related to financing activities	10,115,807.44	57,334,542.05
Subtotal of cash outflows from financing activities	17,991,445.05	66,037,725.46
Net cash flow from financing activities	92,711,109.81	-46,037,725.46
IV. The impact of exchange rate changes on cash and cash equivalents	-10,450,989.21	1,538,516.11
V. Net increase in cash and cash equivalents	-23,086,843.16	272,402,138.68
Add: balance of cash and cash equivalents at the beginning of the period	896,668,784.23	874,602,674.93
VI. Balance of cash and cash equivalents at the end of the period	873,581,941.07	1,147,004,813.61

**(2) From 2026 onwards, the new accounting standards will be implemented for the first time, and the relevant items of the financial statements at the beginning of the year will be adjusted for the first time**

Applicable  Not applicable

### **(3) Audit report**

Has the first quarter financial accounting report been audited?

Yes  No

The company's financial and accounting report for the first quarter has not been audited.

Shenzhen Honor Electronic Co., Ltd. Board of Directors

April 27, 2026